ACCELERATED DATA TRANSFORMATION

Presentation on Q1 2020 Results
AGENDA

INTRODUCTION

FINANCIALS

OUTLOOK

QUESTIONS & ANSWERS
Q1 2020 - Main Topics

- Good start into the year in Order Entry and Revenue
- Signing of additional partner contracts (MHP and Common SM)
- SW Revenue (+46%) and Order entry (+26%) significantly above last year’s level
- Q1 2020 basically with no effect from COVID-19-pandemic
- But: First signs of reduced growth momentum in April
- Update on guidance to reflect increased uncertainty
- After corona crisis digitalization will even be more important, offering additional business opportunities
AGENDA

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QUESTIONS & ANSWERS
## Key Figures

<table>
<thead>
<tr>
<th>€ mn</th>
<th>Q1 2019</th>
<th>Q1 2020</th>
<th>Δ (in m€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>28.8</td>
<td>34.4</td>
<td>+5.6</td>
</tr>
<tr>
<td>Gross profit</td>
<td>24.5</td>
<td>29.8</td>
<td>+5.3</td>
</tr>
<tr>
<td>Personal expenses</td>
<td>-20.5</td>
<td>-24.9</td>
<td>-4.4</td>
</tr>
<tr>
<td>Other operating income/expenses</td>
<td>-5.2</td>
<td>-6.9</td>
<td>-1.7</td>
</tr>
<tr>
<td>EBITDA</td>
<td>-1.3</td>
<td>-2.0</td>
<td>-0.7</td>
</tr>
<tr>
<td>EBIT</td>
<td>-3.3</td>
<td>-4.0</td>
<td>-0.7</td>
</tr>
<tr>
<td>EBT</td>
<td>-3.5</td>
<td>-4.3</td>
<td>-0.8</td>
</tr>
<tr>
<td>Net income</td>
<td>-2.8</td>
<td>-3.5</td>
<td>-0.7</td>
</tr>
</tbody>
</table>

### Gross profit margin
- Q1 2019: 85.1%
- Q1 2020: 86.8%

### EBITDA Margin
- Q1 2019: -4.4%
- Q1 2020: -5.9%

### EBIT Margin
- Q1 2019: -11.5%
- Q1 2020: -11.6%

## Comments

- Topline growth almost equally distributed between software and service segments
- Personal expenses increased significantly in the preparation of future growth
- FTE increased from 1,272 end of Q1 2019 to 1,411 end of Q1 2020
- Hire rate will be adopted to revenue growth
- Margin KPIs basically unchanged
Sales and EBIT by segments

**Service (in € mn)**

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>EBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2019</td>
<td>22.5</td>
<td>-2.5</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>25.3</td>
<td>-1.2</td>
</tr>
</tbody>
</table>

**Software (in € mn)**

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>EBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2019</td>
<td>6.2</td>
<td>0.8</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>9.1</td>
<td>0.0</td>
</tr>
</tbody>
</table>

**Comments**

- Increase in sales also supported by rising demand from S/4 projects
- Profitability significantly up with rising top line development
- Seasonal pattern usually show the first quarter as the weakest of the year

**Comments**

- Sales development with ongoing positive trend
- Lower earnings attributable to growth investments mainly in partner strategy
- Software accounted for 26% of total sales
Balance Sheet (€ mn)

### Comments

- Healthy balance sheet structure where non-current liabilities are well covered by non-current assets
- Current and noncurrent liabilities basically unchanged
- Equity slightly decreased compared to year end’s level
- Equity ratio now at 38.5% (2019: 40.6%)
## Cash Flow Statement (€ mn)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2019</th>
<th>Q1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income</strong></td>
<td>-2.8</td>
<td>-3.5</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>2.1</td>
<td>1.9</td>
</tr>
<tr>
<td><strong>Change in W/C</strong></td>
<td>-2.9</td>
<td>-1.1</td>
</tr>
<tr>
<td><strong>Change in other items</strong></td>
<td>-0.8</td>
<td>-1.1</td>
</tr>
<tr>
<td><strong>Operating cash flow</strong></td>
<td>-4.4</td>
<td>-3.7</td>
</tr>
<tr>
<td><strong>Investing cash flow</strong></td>
<td>-3.2</td>
<td>-1.8</td>
</tr>
<tr>
<td><strong>Financing cash flow</strong></td>
<td>0.0</td>
<td>-0.9</td>
</tr>
<tr>
<td><strong>Change in cash</strong></td>
<td>-7.7</td>
<td>-6.6</td>
</tr>
</tbody>
</table>

### Comments
- Cash out from the change in working capital noticeable below last year’s figure
- Operating cash flow in Q1 2020 therefore slightly improved
- As a result the change in cash also slightly better than previous year’s quarter
## Order Entry and Backlog

### Order Entry (in € mn)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1 2019</th>
<th>Q1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software</td>
<td>38.9</td>
<td>16.7</td>
</tr>
<tr>
<td>Service</td>
<td>25.6</td>
<td>31.0</td>
</tr>
</tbody>
</table>

**Comments**

- Strong increase of order entry due to raising demand of software
- Especially additional partner contracts in the software segment led to a disproportionate increase

### Order Backlog (in € mn)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1 2019</th>
<th>Q1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software</td>
<td>49.0</td>
<td>106.2</td>
</tr>
<tr>
<td>Service</td>
<td>44.1</td>
<td>62.1</td>
</tr>
</tbody>
</table>

**Comments**

- Order backlog more than doubled compared to previous year’s period
- It was again the software segment which contributed largely to this development

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SNP I Transformation Never Ends

CHANGING BUSINESS MODELS

- Mergers & acquisitions
- Carve-outs & divestitures
- Corporate & process change
- Brexit & EU data protection

NEW TECHNOLOGIES

- New implementations
- Releases & upgrades
- Cloud
- In-memory & SAP S/4HANA

Data Transformations

Update Outlook 2020

Previous outlook

<table>
<thead>
<tr>
<th>Sales (in € mn)</th>
<th>EBIT margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>145.2</td>
</tr>
<tr>
<td>2020</td>
<td>185</td>
</tr>
</tbody>
</table>

Updated outlook

<table>
<thead>
<tr>
<th>Sales (in € mn)</th>
<th>EBIT margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>145.2</td>
</tr>
<tr>
<td>2020</td>
<td>170</td>
</tr>
</tbody>
</table>
SNP is well prepared to act in the Corona crisis

1. Top priority is the health and safety of our employees

2. We have secured the delivery towards our customers and partners

3. Our industry is already digitalized
   - Employees are able to work from home – even on ongoing projects
   - Even in pre-crisis times many projects were done remotely
   - Digital customer engagements are ramping up.

4. Strong balance sheet and focus on working capital management

5. Preparing for a more flexible cost structure
Financial Calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 30, 2020</td>
<td>Publication of the Annual Report 2019</td>
</tr>
<tr>
<td>Apr 30, 2020</td>
<td>Publication of the Interim Statement Q1 2020</td>
</tr>
<tr>
<td>June 30, 2020</td>
<td>Annual General Meeting 2020</td>
</tr>
<tr>
<td>Oct 30, 2020</td>
<td>Publication of the Interim Statement Q3 2020</td>
</tr>
</tbody>
</table>
Thank you for your time

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Heidelberg, Germany 2020